

Introduction to Microeconometrics

Einführung in die Mikroökonomie

(SS 2015, 2 SWS VL + 2 SWS UE)

The course teaches students to understand and apply basic microeconomic methods. Knowledge of statistical concepts at the level of the BA course „Statistik für Wirtschaftswissenschaftler“ and “Schließende Statistik” is assumed. Starting from the linear regression model as applied to cross-section data, we will cover the most important microeconomic methods and models applied to the analysis of individual behavior, including practical applications using the statistical software package STATA. Lectures and classes will be given in English.

- Time:** Tuesday 10.15 – 11.45 (VL), starting date: 14th April
Wednesday 10.15 – 11.45 (Ü), starting date: 22th April
- Venue:** First lecture K 005 Seminarraum UG, then HS 103, Garystr. 21 (VL),
K 006a PC Pool 1 (Ü)
- Grading:** Final exam (2 hours)
- Lectures/Classes:** Davud Rostam-Afschar (VL) and Robin Jessen (Ü)

Contents:

1. *The linear regression model and the analysis of cross-section data:* linear regression; heteroskedasticity; functional form and dummy variables;
2. *Instrumental variable regression:* instrumental variables and 2SLS estimation.
3. *Regression models for panel data:* pooled cross-section, fixed and random effects estimators.
4. *Binary-choice models:* logit and probit models.
5. *Multinomial-choice models:* multinomial/conditional logit models; ordered probit model.
6. *Limited-dependent variable models:* truncation, Tobit and selection models.

Literature:

- Jeffrey M. Wooldridge (2008), *Introductory Econometrics. A Modern Approach*, 4 ed., Thomson Learning (main book; several copies are available in the library).
- R. Carter Hill, William E. Griffiths, Guay C. Lim (2010), *Principles of Econometrics*, 4 ed., Wiley (good alternative to Wooldridge, more formulas).
- A. Colin Cameron, Pravin. K. Trivedi (2010), *Microeconometrics using STATA*, rev. ed., Stata Press.
- Marno Verbeek (2012), *A Guide to Modern Econometrics*, 3 ed., Wiley (more formal, for further reading).
- William H. Greene (2012), *Econometric Analysis*, 7th ed., Prentice Hall (comprehensive reference for econometric methods in general; for further study of microeconometrics).